

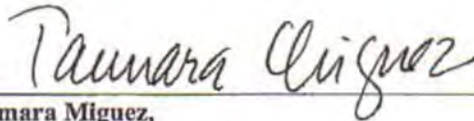
BYLAWS

THE BROOKS FARM ESTATES HOMEOWNERS ASSOCIATION, INC.

ADOPTED: DECEMBER 30, 2005

CERTIFICATE OF SECRETARY

I hereby certify that the Bylaws of The Brooks Farm Estates Homeowners Association, Inc. attached hereto were adopted by the Board of Directors of The Brooks Farm Estates Homeowners Association, Inc. effective as of December 30, 2005.



Tamara Miguez,
Secretary

THE BROOKS FARM ESTATES HOMEOWNERS ASSOCIATION, INC.

BYLAWS

ARTICLE I

DEFINITIONS

The following words when used in these Bylaws, unless a different meaning or intent clearly appears from the context, shall have the following meanings.

(a) **"Articles"** shall mean and refer to the Articles of Incorporation of the Association, as amended or restated, filed in the office of the Secretary of State of the State of Texas.

(b) **"Association"** shall mean The Brooks Farm Estates Homeowners Association, Inc., a non-profit corporation organized pursuant to the Texas Non-Profit Corporation Act. The Association is a "property owners association" as such term is defined in Section 202.001(2) of the Texas Property Code as amended.

(c) **"Board of Directors"** or **"Board"** shall mean the governing body of the Association, elected pursuant to the Bylaws of the Association.

(d) **"Common Area"** shall mean Common Area as defined in the Declaration.

(e) **"Declaration"** shall mean and refer to that certain Declaration of Covenants, Conditions and Restrictions dated December 15, 2005, applicable to the Subdivision and recorded under County Clerk's Document No. 2005-0176520 of the Real Property Records of Collin County, Texas, and as the same may be amended or supplemented from time to time as therein provided.

(f) **"Development Period"** shall mean a period commencing on the date of the recording of the Declaration in the Real Property Records of Collin County, Texas, and continuing thereafter and ending on the earliest to occur of: (i) substantial completion of all development within the Subdivision, as determined by the Developer; or (ii) the tenth (10th) anniversary of the recording of the Declaration in the Real Property Records of Collin County, Texas; or (iii) Developer's recording in the Real Property Records of Collin County, Texas, of an instrument specifying the end of the Development Period at an earlier date, in Developer's sole and absolute discretion.

(g) **"Developer"** or **"Declarant"** shall have the same meaning as the term "Declarant" as defined in the Declaration.

(h) **"Member"** shall mean and refer to every person or entity who holds a membership in the Association.

(j) **"Mortgage"** shall mean a first lien deed of trust, as well as a first lien mortgage on one or more Tracts, but specifically excluding a first lien deed of trust or first lien mortgage securing payment of a home equity loan in accordance with Section 50(a)(6) of Article XVI of the Texas Constitution.

(k) **"Mortgagee"** shall mean a beneficiary under or holder of a Mortgage who has given to the Association written notice that it is the beneficiary under or holder of a Mortgage affecting all or any part of the Subdivision.

(l) **"Owner"** shall mean and refer to the record owner of fee simple title to any Tract situated in the Subdivision or to the purchaser under a contract for a Tract subject to a purchase contract with Developer, whether one or more persons or entities, but, notwithstanding any applicable theory of mortgages, shall not mean or refer to any Mortgagee unless and until such Mortgagee has acquired title to one or more Tracts pursuant to foreclosure or any proceeding in lieu of foreclosure.

(m) **"Subdivision"** shall mean and refer to the real property described on **Exhibit A** attached hereto, commonly known as Brooks Farm Estates Phase I, an Addition to the City of Parker, Collin County, Texas, together with such additions as may hereafter be made thereto in accordance with Article XI of the Declaration.

(n) **"Tract"** shall mean and refer to a Tract as defined in the Declaration.

ARTICLE II

OFFICES

Section 1. Principal Office. The principal office of the Association shall be located in Dallas County, Texas.

Section 2. Other Offices. The Association may also have offices at such other places, within and without the State of Texas, as the Board of Directors may from time to time determine or as the business of the Association may require.

ARTICLE III

MEMBERSHIP; ASSESSMENTS

Section 1. Membership. Every Owner of a fee or undivided fee interest in a Tract holds a membership in the Association. The foregoing is not intended to include persons or entities who hold an interest in a Tract merely as security for the performance of an obligation. Membership is appurtenant to and may not be separated from ownership of a Tract, except as to a lessee. Any Mortgagee who acquires title to any Tract through judicial or non-judicial foreclosure will be a Member of the Association, as a result of such Mortgagee's status as the Owner of such Tract.

Section 2. Payment of Assessments. The rights of membership are subject to the payment of annual and special assessments levied by the Association, the obligation of which assessments is imposed against the Owner of and becomes a lien upon each Tract against which such assessments are made as provided by Article III of the Declaration (incorporated herein and made a part hereof for all purposes).

Section 3. Effect of Nonpayment of Assessments; Remedies of the Association. Any assessments or charges which are not paid when due are delinquent. If an annual assessment is not paid by February 1 of the year in which it is due or if any other assessment or charge is not paid within thirty (30) days after the due date, such assessment shall bear interest from the due date at the rate of eighteen percent (18%) per annum or the maximum non-usurious rate, whichever is less, and the Association may bring an action at law against the Member personally obligated to pay the same, or foreclose the lien herein retained against the Tract. Interest, court costs and reasonable attorneys' fees incurred in any such action may be added to the amount of such assessment or charge. Each Member, by his acceptance of a deed to a Tract, hereby expressly vests in the Association or its agents, the right and power to bring all actions against such Member personally for the collection of such assessments and charges as a debt and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including foreclosure by an action brought in the name of the Association in a like manner as a non-judicial foreclosure on real property covered by the then current State Bar of Texas deed of trust promulgated form, and such Member expressly grants to the Association a power of sale and non-judicial foreclosure in connection with said lien, with any one of the then officers of the Association serving as the trustee empowered to conduct the sale. Alternatively, the Association may resort to other legal and equitable relief with respect to enforcement of the liens securing the payment of assessments as may be provided by applicable law, including suit for judicial foreclosure. No Member may waive or otherwise avoid liability for the assessments provided for herein or in the Declaration by non-use of the Common Area or abandonment of his Tract.

ARTICLE IV

PROPERTY RIGHTS; RIGHTS OF ENJOYMENT

Each Member, his tenants, and the individuals who reside with either of them in any improvements located on any Tract owned by such Member, shall be entitled to the use and enjoyment of the Common Area in accordance with and subject to the terms and conditions set forth in the Declaration, the Bylaws, and the rules and regulations adopted from time to time by the Board of Directors. The rights and privileges of any such tenant or other individual are subject to suspension to the same extent as those of the Member. Any Member may also delegate the aforementioned rights of enjoyment to his guests, subject to the provisions of the Declaration and any applicable rules and regulations that may be adopted from time to time by the Board of Directors of the Association.

ARTICLE V

BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

Section 1. Number; Qualifications. The affairs of the Association shall be managed by a Board of Directors. The Board of Directors of the Association shall consist of not less than three (3) nor more than five (5) members. The initial Board of Directors shall consist of three (3) members elected by the Class B Members; however, beginning with the third (3rd) annual meeting of the Members of the Association and continuing thereafter, the Board shall be expanded to consist of five (5) members, three (3) of whom shall be elected by the Class B Members and if there are no Class B Members, then by the Declarant, and two (2) of whom shall be elected by the Class A Members. Directors need not be residents of the State of Texas. During the Development Period, Directors need not be Members. Except during the Development Period, members of the Board of Directors shall be Owners or spouses of Owners. If an Owner is a partnership or corporation, any partner or officer thereof shall qualify as an Owner and may be a member of the Board.

Section 2. Term. Directors shall serve for a term of two (2) years and until their respective successors are elected, or until their death, resignation or removal; provided, that if, after the Development Period, any director ceases to be an Owner or the spouse of an Owner, his membership on the Board shall thereupon terminate.

Section 3. Death, Resignation and Removal; Filling Vacancies. Any director may resign at any time by giving written notice to the other directors, and any director may be removed from membership on the Board by the vote of Members entitled to cast a majority of the votes represented in a meeting of the Members at which a quorum is present. Any vacancy in the Board shall be filled by the other directors, provided that the Members, acting at a meeting called within thirty (30) days after the occurrence of the vacancy, may fill the vacancy.

Section 4. Compensation. Directors shall serve without pay unless expressly approved by the Members entitled to cast a majority of the votes in each class of membership in the Association. However, a director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the Board.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. Place of Meetings. Meetings of the Board of Directors, regular or special, may be held either within or without the State of Texas.

Section 2. First Meeting. The first meeting of each newly elected Board of Directors shall be held at such time and place as shall be fixed by the vote of the Members at the annual meeting and no notice of such meeting shall be necessary to the newly elected directors in order legally to constitute the meeting, providing a quorum shall be present. In the event of the failure of the Members to fix the time and place of such first meeting of the newly elected Board of Directors, or in the event such meeting is not held at the time and place so fixed by the Members, the meeting may be held at such time and place as shall be specified in a notice given as hereinafter provided for special meeting of the Board of Directors, or as shall be specified in a written waiver signed by all of the directors.

Section 3. Regular Meetings. Regular meetings of the Board of Directors (in addition to the first meeting provided in Section 2 above) may be held without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should the day so fixed be a legal holiday, then the meeting shall be held at the same time on the next day not a legal holiday.

Section 4. Special Meetings. Special meetings of the Board of Directors may be called by the president and shall be called by the secretary on the written request of two (2) directors of the Board. Written notice of special meetings of the Board of Directors shall be given to each director at least three (3) days before the date of the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

Section 5. Quorum. A majority of the directors shall constitute a quorum for the transaction of business and the act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless a greater number is required by the Articles. If a quorum shall not be present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

ARTICLE VII

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a chairman, who shall be a member of the Board of Directors, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members in which directors are to be elected, to serve from the close of such annual meeting until the close of the next annual meeting in which directors are to be elected, and such appointment shall be announced at each such annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast as many votes as they are entitled to exercise.

ARTICLE VIII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers and Duties. The affairs of the Association shall be conducted by the Board of the Association which shall be selected in accordance with the Articles of Incorporation and Bylaws of the Association. The Board, for the benefit of the Common Area and the Owners, shall provide, and shall pay out of the assessments provided for in Article III of the Declaration, the following:

(a) Care and preservation of the Common Area and the furnishing and upkeep of any desired personal property for use in the Common Area. Expenditures for the repair or installation of capital improvements, not included in the annual maintenance budget, may be paid from any reserve fund as specifically provided in Section 5 hereof.

(b) Care and maintenance of the landscaping, masonry screening walls and/or ornamental metal fence and entry features which may be constructed by the Association on the Common Area or on private property. Maintenance includes all repair or rebuilding required and cleaning as required to remove graffiti or obscenities.

(c) The services of a person or firm to manage the Association or any separate portion thereof, to the extent deemed advisable by the Board, and the services of such other personnel as the Board shall determine to be necessary or proper for the operation of the Association, whether such personnel are employed directly by the Board or by the manager.

(d) Legal and accounting services.

(e) Any other materials, supplies, furniture, labor, services, maintenance, repairs, alterations, taxes or assessments which the Board is required to obtain or pay for pursuant to the terms of the Declaration or by law or which in its opinion shall be necessary or proper for the operation or protection of the Association or for the enforcement of the Declaration.

(f) To borrow funds to pay costs of operation secured by assignment or pledge of rights against delinquent Members, if the Board sees fit.

(g) To enter into contracts, maintain one or more bank accounts, and generally, to have all the powers necessary or incidental to the operation and management of the Association and the Common Area.

(h) If, as, and when the Board, in its sole discretion, deems necessary it may take action to protect or defend the Common Area from loss or damage by suit or otherwise, to sue or defend in any court of law on behalf of the Association and to provide adequate reserves for repairs and replacements.

(i) To make reasonable rules and regulations for the operation and use of the Common Area and to amend them from time to time, provided that any rule or regulation may be amended or repealed by an instrument in writing signed by a majority of the Members, or, with respect to a rule applicable to less than all of the Property, by a majority of the Members in the portions affected.

(j) To make available to each Member, within one hundred twenty (120) days after the end of each year, an annual report.

(k) To adjust the amount, collect, and use any insurance proceeds to repair damage or replace lost property; and if proceeds are insufficient to repair damage or replace lost property, to assess the Members in proportionate amounts to cover the deficiency.

(l) If, as and when the Board, in its sole discretion, deems necessary it may take action to enforce the provisions of the Declaration and any rules made hereunder and to enjoin and/or seek damages from any Member for violation of such provisions or rules.

(m) To execute all declarations of ownership for tax assessment purposes and to pay all taxes with regard to the Common Area.

(n) To enter into agreements or contracts with insurance companies, taxing authorities and the holders of mortgage liens on the individual Tracts with respect to: (i) taxes on the Common Area, and (ii) insurance coverage of the Common Area, as they relate to the assessment, collection and disbursement process envisioned by the Declaration.

Section 2. Board Powers. From and after the date on which the title to or any easement or other interest in the Common Area has been conveyed to the Association, the Board shall have the exclusive right to contract for all goods, services and insurance, and the exclusive right and obligation to perform the functions of the Board, except as otherwise provided herein. The Board shall be responsible for the affairs of the Association and shall have all the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do all acts and things as are not by the Declaration, the Articles or these Bylaws directed to be done and exercised exclusively by the Members. In addition to the duties imposed by these Bylaws or by any resolution of the Association that may be hereafter adopted, the

Board shall have the power to and be responsible for preparation and adoption of an annual budget for the Association. The Board shall keep books with reasonable detailed accounts of the receipts and expenditures effecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred.

Section 3. Maintenance Contracts. The Board, on behalf of the Association, shall have full power and authority to contract with any Member for the performance by the Association of services which the Board is not otherwise required to perform pursuant to the terms hereof, such contracts to be upon such terms and conditions and for such consideration as the Board may deem proper, advisable and in the best interest of the Association.

Section 4. Liability Limitations. Neither any Member nor the Board of the Association (or any of them) nor the officers (if any) of the Association shall be personally liable for debts contracted for or otherwise incurred by the Association or for a tort of another Member, whether such other Member was acting on behalf of the Association or otherwise. Neither the Association, its directors, officers, agents nor employees shall be liable for any incidental or consequential damages for failure to inspect any premises, improvements or portions thereof or for failure to repair or maintain the same. The Association or any other person, firm or corporation liable to make such repairs or maintenance shall not be liable for any personal injury or other incidental or consequential damages occasioned by any act or omission in the repair or maintenance of any premises, improvements or portions thereof.

Section 5. Reserve Fund. The Board may establish reserve funds, for such purposes as may be determined by the Board, which may be maintained and accounted for separately from other funds maintained for annual operating expenses and may establish separate, irrevocable trust accounts in order to better demonstrate that the amounts deposited therein are capital contributions and are not net income to the Association. Expenditures from any such fund will be made at the direction of the Board. The reserve fund provided for herein shall be used for the general purposes of promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the Members and occupants of the properties, and maintaining the Common Area and improvements therein, all as may be more specifically authorized from time to time by the Board of the Association. Capital expenditures from this fund may include by way of example, but not limited to, repair of major damage to the Common Area, not covered by insurance.

ARTICLE IX

COMMITTEES

Section 1. General. The Board of Directors, by resolution adopted by a majority of the Board, may designate two (2) or more Members of the Association to constitute special committees, which committees, to the extent provided in such resolution, shall have and may exercise all of the authority of the Board of Directors within its field of responsibility except when the action of the Board of Directors is required by statute. Vacancies in the membership of the committee shall be filled by the Board of Directors at a regular or special meeting of the Board. The committees shall keep regular minutes of their proceedings and report the same to the Board when required.

Section 2. Architectural Committee. Notwithstanding the foregoing, the Architectural Committee (as defined in the Declaration) shall be appointed or elected in accordance with Article VII of the Declaration.